



COCHISE COUNTY

COMMUNITY DEVELOPMENT

"Public Programs...Personal Service"

MEMORANDUM

TO: Board of Supervisors
FROM: Michael Izzo, Building Official
For: Michael Ortega, County Administrator
SUBJECT: Docket R-15-03 (Fee Waiver Request Red Horse Wind Farm)
DATE: December 22, 2014 for the January 6, 2015, Board of Supervisor's Meeting

I. BACKGROUND

The Red Horse Wind Farm is located approximately 15-miles west of Willcox. There will be 15 wind towers, approximately 475-feet tall. Swinerton Renewable Energy is the General Contractor for both the wind farm and the adjacent solar farm which is currently under construction. Staff has calculated that per the adopted fee schedule, costs for this permit would be \$271,175.45. This amount is calculated with a construction value of \$51,000,000.00. Brian Hoops, Project Manager for Swinerton, has requested permit fees be calculated with a construction value of \$12,495,689.00. If the fee is calculated using this lowered value, the fees would be \$69,027.81. This request would lower the fees to \$202,147.64.

Staff has created an estimate for the actual costs. Based on the construction period of 12 months, staff estimates the total actual cost would be \$175,087.08. This cost was calculated by using employee hourly rates, overhead rates, vehicle costs, and the third party inspector.

Under Arizona Revised Statutes, 11-323, only actual costs for solar projects can be charged. There is no State regulation addressing wind projects, however Staff is recommending that only actual costs be charged for this wind project too. Since the same Contractor is working both sites, this would simplify the billing while ensuring that County tax payers would not be subsidizing this construction.

IV: RECOMMENDATION

Staff recommends that the Board consider allowing the actual costs for the plan review, permit issuance, and inspections to be paid by the Applicant.

Sample Motion: Mr. Chairman, I recommend approval of Docket R-15-01 as proposed.

V: ATTACHMENTS

A. Fee Waiver Request Swinerton

